

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1401 – SB 1673

March 11, 2014

SUMMARY OF ORIGINAL BILL: Authorizes the district attorney general (DA) or criminal court clerk to retain 50 percent of default fines, costs, and litigation taxes collected to procure an outside agent to collect the funds or to offset the costs of collection by the DA or court clerk through an in-house procedure. Specifies that fines and costs in default that are collected by the DA or court clerk are retained by the clerk and not “other fees of the office,” which are subject to being turned over to the county trustee.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014185): Deletes all language after the enacting clause. Beginning July 1, 2015, reduces, from 50 percent to 40 percent, the amount of collected fees, fines, costs, and taxes a third-party agent can receive for its fee.

Prohibits state funds from being used to pay for any computer system or software changes that may be necessitated by the proposed legislation. Any changes shall be funded by fees collected by court clerks under Tenn. Code Ann. § 8-21-401(j), which are dedicated funds for computer related expenses of court clerks.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The proposed legislation affects a third-party agent’s fee for initiating and prosecuting collection actions for defaulted fees, costs, and taxes, and does not change the amount of such collected fees, costs, and taxes that accrue to State or local governments. The proposed legislation will not significantly impact the State or local governments.
- Any increase in local expenditures for computer changes will be paid for out of current funds dedicated for computer related expenses. Any increase in expenditures for this purpose will reduce the amount of funds available for other computer related expenses. The exact amount of funding necessary to meet the provisions of the bill is unknown, but the net impact to local government is estimated to be not significant.

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- Any increase in expenditures for changes to the computer system used by the Administrative Office of the Courts will not be significant and can be accommodated within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/trm